

Message Text

CONFIDENTIAL

PAGE 01 SANTO 02024 302205Z

65

ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 INT-05 L-03 DODE-00 AF-08

PA-01 PRS-01 /071 W

----- 117253

P 302105Z APR 76

FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC PRIORITY 6812

C O N F I D E N T I A L SANTO DOMINGO 2024

E.O. 11652: GDS

TAGS: EALR, EMIN, EINV, DR

SUBJECT: GOLD: GODR AND ROSARIO SIGN PRELIMINARY AGREEMENT ON
EXPANDING MINE CONCESSION

REF: SANTO DOMINGO 0887

1. AFTER A STALEMATE OF A FEW MONTHS, HIGHLIGHTED BY GODR MILITARY
AND CIVILIAN OFFICIALS ABRUPTLY VISITING ROSARIO MINE AND TAKING
DOCUMENTS FROM ROSARIO'S SANTO DOMINGO OFFICE LAST FEBRUARY,
ROSARIO AND GODR YESTERDAY SIGNED A PRELIMINARY AGREEMENT WHICH
ALLOWS ROSARIO TO EXPAND THE AREA OF ITS MINING CONCESSION.
THIS AGREEMENT EMERGED FROM TWO SETS OF INTENSIVE NEGOTIATIONS.

2. IN AN EFFORT TO BREAK THE IMPASSE BETWEEN ROSARIO AND THE GODR
AND TO REESTABLISH FAVORABLE CONDITIONS FOR NEGOTIATING THEIR
DIFFERENCES THE AMBASSADOR MET A NUMBER OF TIMES WITH JESUS
HERNANDEZ, A PRIVATE CITIZEN WHO IS A CLOSE FRIEND AND ADVISOR TO
PRESIDENT BALAGUER. AS A RESULT OF THE AMBASSADOR'S DISCUSSIONS
WITH HERNANDEZ, A FIVE-POINT STATEMENT OF BASIC PRINCIPLES
WAS WORKED OUT AS A BASIS FOR RESUMING NEGOTIATIONS BETWEEN
ROSARIO AND THE GODR. DURING THE DISCUSSIONS WITH HERNANDEZ,
THE AMBASSADOR MAINTAINED CLOSE CONTACT WITH ROBERT REININGER,
PRESIDENT OF ROSARIO'S PARENT COMPANY, AND WITH OTHER SENIOR
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 SANTO 02024 302205Z

EXECUTIVES OF ROSARIO.

3. AFTER THE ACCEPTANCE OF THE FIVE BASIC POINTS, HOMER S. ANDERSON, VICE PRESIDENT OF ROSARIO; MICHAEL DUNN, CONTROLLER OF ROSARIO; AND MICHAEL SEAWARD, CHIEF GEOLOGIST OF ROSARIO, ARRIVED IN SANTO DOMINGO A WEEK AGO AND BEGAN ARDUOUS NEGOTIATIONS WITH ING. FERNANDO PERICHE VIDAL, EXECUTIVE DIRECTOR OF THE GODR'S CENTER FOR THE PROMOTION OF EXPORTS (CEDOPEX).

4. THE PRELIMINARY AGREEMENT OF 30 POINTS SIGNED APRIL 29 WAS TAKEN TODAY BY PERICHE TO NEW YORK WHERE HE IS LUNCHING WITH REININGER BEFORE GOING ON TO THE UNCTAD IV MEETING IN NAIROBI.

5. UNDER THE PRELIMINARY AGREEMENT JUST SIGNED, A NEW COMPANY NAMED ORO DOMINICANO WILL BE SET UP FOR EXPLOITING THE LOS CACAOS AREA ADJACENT TO THE PUEBLO VIEJO MINE. THE COMPANY WILL BE 50-PERCENT OWNED BY THE GODR AND 50-PERCENT OWNED BY ROSARIO-DOMINICANA, WHICH IN TURN IS 20-PERCENT OWNED BY THE DOMINICAN CENTRAL BANK AND 80-PERCENT OWNED IN EQUAL PARTS BY ROSARIO RESOURCES AND SIMPLOT. THE CAPITAL FOR A 50-PERCENT EXPANSION OF THE CURRENT MILLING AND REFINING PLANT WILL BE PUT UP BY ROSARIO DOMINICANA. IN EFFECT, THE NEW CONCESSION AS WELL AS THE OLD WILL BE OPERATED BY ROSARIO DOMINICANA.

6. A PRESS RELEASE HAS BEEN TENTATIVELY DRAWN UP BY PERICHE AND ROSARIO BUT IS BEING DISCUSSED FURTHER WITH REININGER IN NEW YORK TODAY.

7. FROM ALL APPEARANCES, A POTENTIALLY TROUBLESOME INVESTMENT DISPUTE HAS BEEN AMICABLY RESOLVED.

8. THE SPANISH TEXT OF THE PRELIMINARY AGREEMENT IS BEING POUCHED TO THE DEPARTMENT, ALONG WITH THE TEXT OF THE TENTATIVE PRESS RELEASE.
HURWITCH

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENT DRAFT, GOLD MINING, MINING CONCESSIONS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: RowellE0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976SANTO02024
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760165-0792
From: SANTO DOMINGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976042/aaaaabiy.tel
Line Count: 95
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 SANTO DOMINGO 887
Review Action: RELEASED, APPROVED
Review Authority: RowellE0
Review Comment: n/a
Review Content Flags:
Review Date: 22 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 JUL 2004 by BoyleJA>; APPROVED <28 OCT 2004 by RowellE0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOLD: GODR AND ROSARIO SIGN PRELIMINARY AGREEMENT ON EXPANDING MINE CONCESSION
TAGS: EALR, EMIN, EINV, DR, ROSARIO DOMINICANA
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006